

## Message Text

UNCLASSIFIED

PAGE 01 KUWAIT 01875 010814Z

10

ACTION NEA-09

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01

INR-07 NSAE-00 TRSE-00 XMB-04 OPIC-06 SP-02 CIEP-02

LAB-04 SIL-01 OMB-01 PA-02 PRS-01 USIA-15 SAM-01

NSC-05 SS-15 STR-04 CEA-01 /094 W  
----- 119524

R 301508Z APR 75

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 2886

INFO AMEMBASSY ABU DHABI

AMEMBASSY DOHA

AMEMBASSY BEIRUT

AMEMBASSY JIDDA

AMEMBASSY MANAMA

AMEMBASSY TEHRAN

UNCLAS KUWAIT 1875

DEPT PASS COMMERCE, OPIC, EXIM, TREASURY

E.O. 11652: N/A

TAGS: EIND, EFIN, KU

SUBJECT: GOK AUTHORIZES KD100 MILLION LOAN TO INDUSTRIAL  
BANK OF KUWAIT

REF: KUWAIT 670 (NOTAL)

1. GOK HAS APPROVED KD 100 MILLION LOAN (KD1 EQUALS \$3.50) TO  
INDUSTRIAL BANK OF KUWAIT (IBK) TO EXPAND BANK'S ACITIVITIES  
AND PROMOTE INDUSTRIAL GROWTH. NEW LOAN EXTENDS OVER 18 YEARS  
AND BANK AUTHORIZED TO DRAW AS NEEDED.

2. LOAN, WHICH IS MUCH LARGER THAN ORIGINALLY ANTICIPATED, IS  
CLEAR VOTE OF CONFIDENCE BY GOK IN IBK AND THIS ACT FIRMLY  
ESTABLISHES IBK AS THE CHOSEN VEHICLE TO PROVIDE MEDIUM TERM  
FINANCING TO LOCAL INVESTORS WISHING TO BEGIN OR EXPAND INDUSTRIAL  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 KUWAIT 01875 010814Z

ACTIVITIES. ALTHOUGH MINISTRY OF COMMERCE AND INDUSTRY WILL

CONTINUE TO BE RESPONSIBLE FOR LICENSING LOCAL INDUSTRIES, IBK-APPROVED FINANCING WILL, WE BELIEVE, INCREASINGLY PROVE TO BE "GOOD HOUSEKEEPING SEAL" ON LOCAL INDUSTRIAL PROJECTS, ALREADY BANK HAS ASSEMBLED TOP-FLIGHT STAFF OF BRIGHT, ARTICULATE AMERICAN-EDUCATED PERSONNEL LARGELY DRAWN FROM IBRD. BANK HAS APPROVED EIGHT LOANS AND REJECTED AN UNDISCLOSED NUMBER OF OTHERS OUT OF SOME 34 LOAN REQUESTS.

3. IBK ALSO EXPECTED TO PLAY INNOVATIVE ROLE IN LOCAL FINANCIAL COMMUNITY. BNKA HAS BEEN IN TOUCH WITH SEC EXPERTS, AND IN NEAR FUTURE IS EXPECTED TO FLOAT ITS OWN KD-DENOMINATED BONDS AND CDS IN KUWAIT. THESE WILL BE FIRST SUCH INSTRUMENTS PLACED IN KUWAITI MARKET.

4. ROLE IN IBK IN TRIANGULAR INVESTMENTS NOT CLEAR. ONE OFFICIAL IN CONVERSATIONS WITH EMBOFF HAS INDICATED IBK KEENLY INTERESTED IN HELPING FINANCE KUWAITI INVESTMENTS IN INDUSTRIAL ACTIVITIES ELSEWHERE, PARTICULARLY IN ARAB COUNTRIES, BUT MANAGING DIRECTOR HAS TOLD US HE WANTS TO CONCENTRATE ALMOST EXCLUSIVELY ON PROJECTS IN KUWAIT FOR FORESEEABLE FUTURE. NEVERTHELESS, EVEN HE DID NOT RULE OUT POSSIBLE COOPERATION WITH OTHERS IN SELECTED TRIANGULAR PROJECTS.

5. COMMENT: IBK NOW HAS KEY OFFICERS IN PLACE AND IT RAPIDLY GAINING A ROLE FOR ITSELF IN KUWAIT FINANCIAL COMMUNITY. ANNOUNCEMENT OF GOK LOAN WILL PROVIDE BASIC STRENGTH AND CONFIDENCE TO NEWLY ESTABLISHED INSTITUTION, WHICH OWNED BY GOK AND SEVERAL BANKS AND OTHER COMPANIES. BANK OFFICIALS EAGER TO COOPERATE WITH US COMPANIES WILLING TO DISCUSS SERIOUS, COMMERCIALLY VIABLE PROPOSALS. BANK'S WORKING LANGUAGE IS ENGLISH, AND IBK SHOULD BE CONSIDERED AN IMPORTANT CONTACT FOR US FIRMS SEEKING JOINT-VENTURE PROJECTS WITH KUWAITIS. STOLTZFUS

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INDUSTRIAL DEVELOPMENT, FOREIGN INVESTMENT, BANK LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 APR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975KUWAIT01875  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750153-0174  
**From:** KUWAIT  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t1975044/aaaaadha.tel  
**Line Count:** 94  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION NEA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 KUWAIT 670  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ShawDG  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 02 DEC 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <02 DEC 2003 by ThomasVJ>; APPROVED <30 DEC 2003 by ShawDG>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GOK AUTHORIZES KD100 MILLION LOAN TO INDUSTRIAL BANK OF KUWAIT  
**TAGS:** EIND, EFIN, KU, INDUSTRIAL BANK OF KUWAIT  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006